



City of Rowlett

Special Work Session Minutes

City Council

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Tuesday, November 30, 2010

6:30 P.M.

Municipal Building – 4000 Main Street

As authorized by Section 551.071 of the Texas Government Code, this meeting may be convened into closed Executive Session for the purpose of seeking confidential legal advice from the City Attorney on any agenda item herein.

The City of Rowlett reserves the right to reconvene, recess or realign the Regular Session or called Executive Session or order of business at any time prior to adjournment.

Present: Mayor Harper, Mayor Pro Tem Gottel, Deputy Mayor Pro Tem Jackson, Councilmember Phillips, Councilmember Davis, Councilmember Kilgore and Councilmember Gallops

1. CALL TO ORDER

Mayor Harper called the meeting to order at 6:35 p.m.

2. WORK SESSION ITEM (6:30 P.M.)

2A. Discuss Texas Municipal Retirement System (TMRS) and other employee benefits.

Each Councilmember was asked to make a few remarks before staff made their presentations. Sustainability was mentioned by the majority of Council. Financial shortfalls in the next few years dictates the importance of this type of discussion as increasing taxes is not an option at this time. Staff were thanked for the diligent work in preparing for the meetings. Keeping the City competitive in the market place in order to draw and retain excellent employees is important. Employee involvement is important. Everyone is interested in looking at all the options in order to create a process to find the best solution.

The timeline is to have at least an additional meeting in January (scheduled for January 11, 2011) and possibly more in order to be prepared to make decisions on March 19, 2011.

Staff asked Council what they wanted to achieve from the meeting and the following ideas were presented:

What Does Council Want To Achieve?

- Fair* but sustainable Long Term
 - *To taxpayers, Councils, employees – past, present and future
- Employee Involvement/Investment in the process
- Ensure we've looked at all options
- Leave future Councils with City in good financial position
 - Total transparency
 - Total open process
- Most cost effective plan while remaining competitive (within our geographic area)
- Determine which positions can be competitive among cities and private sector
- Offer choices to employees that meet their individual needs (don't pay for something they don't need)
- Keep documentation on process for future Councils

Lewis Ward with Gabriel, Roeder, Smith and Company (GRS) made a PowerPoint presentation explaining facts regarding how TMRS works and all the options employers can adopt and/or change regarding employees and retirees. Several questions were asked and answered during the presentation.

Staff presented and discussed a comparison chart with twenty-six other cities and the TMRS offerings they currently use. Only eight cities, including Rowlett, does not participate in Social Security, and some of those cities do offer other contribution matches to other supplemental retirement plans. Graphs were presented next and discussed by staff.

Staff also presented the other benefits offered to the employees and the costs involved in addition to various benchmarks. Council requested comparisons for the following:

1. Health Benefits (Health/Prescription Drug Insurance and Dental Insurance), additional information requested is the cost to the employee and to dependents and what is the percentage subsidy to employees and to families, in addition to the co-pay and deductibles for both health and dental.
2. Retirement Benefits (TMRS and Retiree Medical Premium Contribution) the current comparisons presented are adequate at this time.
3. Time off Benefits (Vacation Leave and Sick Leave), additional information in the survey is to ask for their pay-out provision policy, carry over time with regard to vacation, and are we competitive in military pay.
4. Income Protection Benefits (Life Insurance, Long-Term Disability Insurance and Workers Compensation Supplemental Salary), the information requested is to ask what is standard regarding Income Protection Benefits.
5. Direct Pay Benefits (Longevity Pay, Clothing Allowance, Auto Allowance, Certification Pay and Service Award Pay), additional information requested is all "direct pay" benefits paid in the comparison cities.
6. Other Benefits (City Provided Cell Phones), additional information is from a contract perspective.

Consensus was reached to use the twenty-six cities used for the TMRS chart and to add any additional DART cities if they are not in the group.

Deputy Mayor Pro Tem Jackson left the meeting at approximately 9:10 p.m.

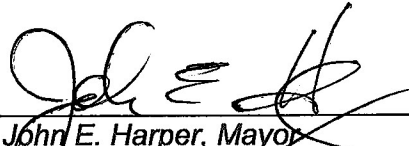
Other questions the Council would like asked to the survey cities include the changes they have made to their benefit programs over the past two years and are they contemplating changes currently?

Staff provided Council with three companies that can do private sector comparisons and the costs involved. After reviewing, Council reached consensus not to pursue the private sector comparisons.

Following the discussion, the list of "What Does Council Want To Achieve?" was revisited and it was determined that the private sector comparison is not worth the time and money it requires in order to make a comparison with the public sector. Keep documentation on process for future Councils was added to the list.

3. ADJOURNMENT

Mayor Harper adjourned the meeting at 9:42 p.m.



John E. Harper, Mayor

Susie Quinn, City Secretary

Date Approved: December 7, 2010